The New Partnership for Africa's Development: Promoting Foreign Direct Investment Through Moral Political Leadership

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> "Life and politics in Africa equal an existence on the margin, which entails that politics in most sub-Saharan African states do not conform to an institutionalised Western political system. Rather, like international politics, politics in Africa are a game played out on a marginal site, beyond institutionalised regulations in Western bureaucratic sense" (Morten Boas 2001:698).

> "If you steal, do not steal too much at a time. You may be arrested. Steal cleverly (yiba na mayele), little by little" (President Mobutu Sese Seko of Zaire in an address to party regulars, quoted in George Ayittey 1992:233)

Abstract

This paper seeks to argue that foreign direct investment in Africa can only be promoted and harnessed through good political leadership, which must be complemented by a clean bureaucracy. The international community including multinational corporations has also a responsibility to ensure that it does not shore up bad leadership.

Introduction

To be able to attract sustained levels of foreign direct investment (FDI) inflows into Africa and thus achieve its objectives of promoting sustainable development and poverty reduction, the New Partnership for Africa's Development (NEPAD) needs to instill investor confidence about the continent. Whilst the general literature on investment highlights among others the importance of social capital, infrastructure, political and macro-economic stability, the rule of law, good governance, democracy, and human rights in fostering investor confidence, a seemingly neglected aspect in the literature is the issue of leadership and its bearing on investor confidence. Simply put, the issue of leadership and its place in the FDI literature has not been researched. This paper seeks to fill that gap by looking at the issue of leadership in Africa and how it has contributed to investor confidence and the general investment climate of the continent. Leadership in the context of this paper is used mainly in the narrow sense to refer to political leadership. This paper will therefore look briefly at the concept of leadership and what it entails, the history of political leadership in Africa, the importance of leadership and the role of the international community or donors in maintaining poor leadership in Africa, the importance of good leadership in promoting FDI and lastly a conclusion will be drawn.

The Concept of Leadership

The concept of leadership is not easy to define. At a generalized level however, the concept involves at least three elements: (a) influence, (b) group and (c) some goal(s) (Bryman 1996:266). The first element of influence involves a process in terms of which the leader has an impact on others in the sense that he is able to induce them to behave in a particular way. To exert influence implies that there should be a group to be led and hence the second element conceptualizes this influence taking place in a group context with group members being subordinates of the leader. The last element [of goal(s)] presupposes that the influence of the leader over the group behavior is targeted at the achievement of certain goals (Bryman 1996:266). These general traits of leadership can also be found in the realm of political leadership.

Notably, political leadership has many domains, such as leadership of faction, party, parliament, cabinet and government (Uhr 2002:261). Although there may be several definitions of political leadership, political leadership may be thought of as "essentially a phenomenon of power: it is power because it consists of the ability of the one or few who are at the top to make others do a number of things (positively or negatively) that they would not, or at least might not, have done. But it is not, of course, just any kind of power. It appears to be power exercised from the top down, so to speak: the leader is, in various ways, "above" the nation and can give orders to the rest of the citizens" (Blondel 1987:3).

For purposes of this chapter, the discourse on political leadership will be confined to the power exercised by Heads of States or governments. According to Blondel (1987:3) political power can either be used positively or negatively. It is used positively if it is exercised in the best public interest rather than in the self-interest of leaders (Uhr 2001:81). From this definition of political leadership the next section will look at the character of political leadership in Africa and how it has impacted on foreign investment.

Political Leadership in Africa: Historical and Contemporary Perspective

Expect in a very few instances, there was until recently no contestation for political power in many African States. Many of the countries were one-party, authoritarian states. This system of rule has often been justified on the basis that multi-party democracy was inimical to nation building, as it tended to fracture countries along tribal and ethnic lines. In instances where elections were held, the process was primarily meant to legitimate the party already in office. Whilst an authoritarian rule may reasonably have been justified on the basis of nation building, it provided equally unrestrained access to public funds for the incumbents. Nonetheless, because of the heterogenic make-up of most African states [consisting of communities made up of different ethnic and tribal groups all competing for socio-economic and political dominance] the mere attainment of political power did not guarantee stability or certainty. Given the brittle co-existence of competing tribal and ethnic groups, the attainment of political power became a means consolidating specific group interests and establishing loyalty. In short, political authority in many African countries post independence took the form of neo-patrimonial rule.

It must be emphasized from the onset that the concept of political power, its exercise and parameters in Africa differs markedly from the way it is perceived in the West. It is not impersonal nor do any checks and balances inhibit its exercise. As Jackson and Rosberg (1982) quoted in Morten Boas (2001:698) succinctly state, "politics are more personalized and less restrained, resulting in higher stakes but also in greater risks for those who actively engage in the political game and greater uncertainty for the general public".

With the above caveat, it must be noted that the term [neo-patrimonialism] is derived from the concept of patrimonial authority. In patrimonial political systems, power is not necessarily exercised for the common good of society but is rather self-serving with leaders more concerned about their self-interest or the interest of their group than public welfare. According to Bratton and Van De Walle (1997:61) under such a system, "authority is entirely personalized, shaped by the ruler's preferences rather than any codified system of laws. The ruler ensures the political stability of the regime and personal political survival by providing a zone of security in an uncertain environment and by selectively distributing favors and material benefits to loyal followers".

Just as in patrimonialism, the right to rule in neo-patrimonial regimes is ascribed to an individual rather than an office. In other words, neo-patrimonialism occurs not in a traditional environment but within the context of a modern state, blending elements of patrimonial [traditional] rule and features of rational-bureaucratic rule [modern rule] (Taylor 2003; Bratton and Van De Walle 1997:62, Le Vine 1980:666). Permeating the entire formal political and administration chain under this system is a dense network of dependent relationships. At the apex of the system is a leader (the strongman, "big man" or "supremo"), who not only dominates the state apparatus and but also stands above its laws (Bratton and Van De Walle 1997:62, Le Vine 1980:662). Under this system, officials occupy bureaucratic positions less to perform public services, but rather to acquire personal wealth and status (Bratton and Van De Walle 1997:62, Bayart 1993:70).

The post colonial African state can in short be described as a blend or mixture of both the patrimonial and bureaucratic logic (Boas 2001:700), where everyone in an official capacity or power structure has a network of reciprocal reinforcement with subordinates or superiors (Le Vine 1980:662). This assessment of the post colonial Africa is also reaffirmed by Villalon (1998:13) who states that many African countries can properly be regarded as *prebendal or rentier states* because resources are often allocated selectively to group(s) with preferential access to the state.

Bratton and Van Der Walle (1997:63), contend that although neo-patrimonial practices can be found in all polities, it has become, albeit with variations across countries, a core feature of politics in Africa running across at least 40 countries. Le Vine (1980:659) reiterates the point by stating that the "legal-rational modes of governance which rely on impersonal bureaucracies are an exception rather than the rule". Boas (2001:700) also makes this point by arguing that whilst the government may be able to extract and distribute resources, such distribution is in effect privatized in that it is meant to benefit only a select few with the result that, "political power instead of having the impersonal and abstract character of legal-rational domination, specific to a modern state, is personal [and] politics becomes a kind of business, because it is political resources which give access to economic resources". Like others, Chabal (1992:205) contends that this system [neo-patrimonialism] has been predominant in most countries because "politicians conceive their own interests in communal terms. Their success and failure is the success and failure of their families, their villages and their communities".

The core features of neo-patrimonialism include presidentialism, clientelism and the use of state resources. Presidentialism is a system in which too much political power is conferred and vested in the hands of the leader, who becomes the ultimate and final authority on all matters of the state. The leader is not constrained in the exercise of power by any legal niceties or any system that might be meant to provide checks and balances. In a nutshell, the exercise of power is absolute. Whilst formal institutions may be in place, they are without any real power and are in fact ineffective and purely symbolic (Bratton and Van Der Walle 1997:65).

Over the years, a number of African leaders, both founding fathers and their successors have demonstrated this form of leadership, much to the detriment of the socio-economic development of their respective states. Kwame Nkrumah, who became the first president of Ghana when it attained independence from Britain in 1951, was able to concentrate all state power in his hands and thereby managing to effectively monopolize all state power. He personally awarded government contracts without reference either to the cabinet, or agencies designated to carry out such functions and had direct access to public funds, with no adequate accounting and control machinery sufficiently independent to subject his office to scrutiny (Bretton 1966:68).

According to Bretton (1966:107), despite the clear doctrine of the separation of power being enshrined in the constitution "Nkrumah assumed power over all spheres of government and administration until not one effective check or balance remained to contest his will. Substantive distinctions between the presidency and the cabinet, between those two branches and parliament and between all three and the judiciary had been wiped out".

Through extortion and bribes Nkrumah was able to accumulate substantial wealth and "aware that numerous ministers and other leaders knew of his financial manipulations, he [Nkrumah] allowed them, in the tradition of all political-machine bosses, to engage in similar practices, in some instances even encouraging them, or he invited them to become his accomplices, only to use his knowledge of their transgressions to his own purposes" (Bretton 1966:70).

Idi Amin who became the president of Uganda through a military coup in 1971 provides another compelling example of arbitrary rule. Before being ousted from offices in 1979, Amin had managed to amass so much political power in his hands and welded it with virtually no constraints or limitations. As part of his program of economic nationalization, decrees were passed expelling all Ugandans [mostly] of British-Asian origins and expropriating assets and businesses of foreign investors, a process which effectively destroyed the industrial and commercial sectors of Uganda (Obwona 2001:50). Any foreign investor who wanted to do business in Uganda had to be a naturalized Ugandan. Failure to meet these sets of rules was considered sabotage, punishable either by execution or deportation (Obwona 2001:50). According to

Obwona (2001:51) FDI investment became effectively outlawed and business confidence in the investment climate badly shaken and largely as a result of Amin's legacy, overtures to foreign investors by post Amin regimes have had moderate success in appealing to them.

Likewise, President Robert Mugabe of Zimbabwe seems to enjoy absolute power, even in the face of constitutional and legal safeguards. Faced with a deteriorating economy requiring fiscal discipline, President Mugabe reportedly authorized without prior parliamentary approval huge payments, which included a one-time payment (Z$50 000), a monthly allowance (Z$2000), and free education and health care for the 60 000 war veterans to be made for their wartime sacrifices, without such payments being budgeted for and thus plunging the country already facing economic hardships as a result of failed IMF structural adjustment policies into further economic crisis (Addison and Laakso 2003:461; Nyang'oro and Shaw 1998:30). These payments were followed by the government's expropriation of large portions of land from white farmers to relocate landless black people (Addison and Laakso 2003:464, Maclean 2002:520).

Whilst the need for land redistribution was not in doubt, [it has been suggested that the expropriations were an electioneering maneuver motivated by fear of a potential election defeat for Mugabe] constitutional amendments were made which allowed the government to expropriate land without paying any compensation to land owners except for certain improvements in the land. By pursuing this conduct President Mugabe managed to destroy the fledging agriculture sector which had accounted for 68 per cent of Zimbabwe's gross agricultural output and 40 per cent of export earnings (Addison and Laakso 2003:459).

Although the government denied any involvement in the violent occupation of white farms, army trucks and government vehicles were allegedly used to ferry war veterans to occupy the farms, with " [President] Mugabe publicly [backing] the farm occupations and [criticising] judges who had ordered the veterans to leave the farms, as a 'foreign cancer'" (Addison and Laakso 2003:464). Thus, in an attempt to hold on to power, the government not only encouraged and applauded the violation of its own laws, the illegal land invasions of white-owned farms, it also defied the courts' rules against such illegal actions (Maclean 2002:520).

The above conduct by the government of Zimbabwe heralded the mass exodus of investors from Zimbabwe and accelerated the already downward spiral of the economy, leading to acute scarcity of basic necessities such as food and fuel, a significant diminution of foreign currency, an emergence of parallel black markets and an inflation currently estimated at 526 per cent and high levels of unemployment and poverty with over 80 per cent of the population now being estimated to be unemployed and living below the poverty line (Windrich 2002:1187, BBC 20th November 2003).

The collapse of the Zimbabwean economy is somewhat of a paradox given that many economic experts in the early 1980s and even the early 1990s had considered the country as a fulcrum on which the future of southern Africa could rest. The collapse of the economy and investor confidence in the country and the plummeting of FDI inflows from a high of US$444 million in 1998 to a low US$30 in 2000 (UNCTAD

Press Release 2001) can squarely be attributed to economic mismanagement, bad leadership and the worsening political situation in that country.

Apart from presidentialism, clientelism is another important aspect of the neo-patrimonialism regime. Under clientelism, personal favors, resources or services are allowed to a number of clients in return for political support (Taylor 2003, Bratton and Van De Walle 1997:66, Le Vine 1980:662). Clientelism can also be viewed as a system or network in which patrons reward clients with positions that can be converted into sources of private accumulation (Villalon 1998:13). The arbitrary distribution of state resources to a select few is often made possible by the lack of clear-cut and legitimate delineation between what is public and what is private property (Boas 2001:702).

According to Taylor (2003), clientelism [which is in fact corruption] is a well understood and accepted system in many African countries. In Nigeria, for instance, according to Osaghae (1998:21), there is a well known saying that "there is nothing seriously wrong with stealing state funds, especially if they [are] used to benefit not only the individual but also members of his community. Those who [have] the opportunity to be in government [are] expected to use the power and resources at their disposal to advance private and communal interest".

Osaghae (1998:21) contends that the widely held pre-independence attitude that the colonial state was "alien", deserving no obligations, and therefore that state property could be legitimately taken for self-enrichment, [which attitude has ironically survived in the post independence era], explains the continued plunder of government resources by officials. Attempts to deal with this problem have been less successful because of the perception of the state by the majority of the citizens "as a benevolent 'father Christmas' who distributes the 'national cake'… and the …government as a reservoir of 'free money'…with the result that the "plunderers of the government treasury are excused on the grounds that they have only 'taken their share of the national cake'" (Osaghae 1998:22). Attempts to uproot this practice have failed because leaders and officials "are themselves guided by the same codes and reap huge benefits of political legitimacy from them" (Osaghae 1998: 22).

In Mozambique, the state has also become dominated by private interests or as Hanlon (2004:755) puts it, "a predatory elite led by a group of people close to President Chissano and who dominate some ministries [and] who see the state as a means of acquiring wealth". To fortify this assertion Hanlon (2004:748) quotes Mia Couto (2002) who contends that Mozambique is "a kingdom where those who lead are gangsters [and] where an elite is using power 'in order to enrich itself".

The last thread of neo-patrimonialism involves the use of state resources to feature both political and personal ends. Under this strand of neo-patrimonialism, no attempt is made to distinguish between public and private assets. Rather, public assets are often seen as an extension of the leader's assets. Bratton and Van De Walle (1997:66) allege in their study that during his term of office, President Ahidjo of Cameroon diverted large sums of money from the country's oil revenues in a personal offshore bank account, to be spent during the course of the year as he saw fit.

Likewise, after seizing power in 1965, President Mobutu of Zaire (now the Democratic Republic of Congo) abandoned his promise to live on his soldier's salary as quickly as his promise not to establish military dictatorship (Ndikumana and Boyce 1998:206, Huband 2001:26). President Mobutu's control over the central bank allowed him to transfer money directly into his personal accounts and secret budget lines. As president he was able to erect an institutional structure that allowed him rapid accumulation of wealth from foreign borrowing and aid as well as from the country's national resources (Ndikumana and Boyce 1998:207). Through exclusive ownership of companies, expropriations in the name of the national interest, money laundering and elicit mechanisms such as kickback from Zairian and foreign owned private businesses, President Mobutu and his family, business and political allies were able to secure effective monopoly control in key sectors of the Zairian economy (Reno 1998:154; Ndikumana and Boyce 1998:207). Under Mobutu's leadership, Zaire became a country where politics and greed were synonymous (Chabal 1998:216), and where the state instead of creating wealth necessary for socio-economic development became a "parasite that [existed] on the nutrients of mineral revenue and the product of the state's unfortunate inhabitants" (Clark 1998:115).

By his absolute control and ownership of the key sectors of the economy, and reliance and acceptance of bribes, Mobutu effectively ensured that there was no stable environment for foreign investment. In fact, Askin and Collins (1993,76-77) are quoted by Clark (1998:121) as saying, " only a few foreign firms or individuals, particularly those who promoted Mobutu's political cause, received lucrative contracts; many others found that they had to bribe Mobutu to do business in the country".

The role of Donors and the International Community in Propping and Maintaining Poor Leadership in Africa

Not until very recently, many of the dictators enjoyed both the political and economic backing of the international community. Depending on their strategic importance, they were propped up by, among other countries, the United States of America (representing the Western block) and the Union of Soviet Socialist Republic (USSR) (representing the Eastern block) during their cold war rivalry (Huband 2001:16, Young 1999:18, Ayittey 1992:265). This cold war rivalry between the world's superpowers meant that ideological rather than socio-economic concerns predominantly informed the relationship between the superpowers and their African allies. Bad leadership was therefore tolerated and massive financial disbursements were made to authoritarian leaders considered important to the extent necessary in this cold war rivalry. According to Ayittey (1992:266) the African continent became a " theatre of blunders and miscalculations in almost every quarter as African leaders on one hand sought allegiance with either of the superpowers and on the other hand as the superpowers competed for access, power and influence over African countries".

In addition to the support provided by the West and Eastern blocks, multilateral corporations and international financial institutions also played a role in maintaining and shoring up poor leaders in office. For instance, Shell Oil Company has recently admitted that it inadvertently fed conflict, poverty and corruption in Nigeria through its oil activities (BBC World Edition News 18th June 2004). Although the company has not made public a report compiled by a panel of experts it had commissioned to look at its activities in Nigeria, it is not inconceivable that the company having paid bribes to government officials recouped such payments by either paying low wages to their employees or reducing the total number of their investments in Nigeria.

The contribution by multinational corporations to bad leadership is not however limited only to Shell Oil Company nor is it by any means an isolated case. A recent UN Report (2003) on the Illegal Exportation of Natural Resources and other Forms of Wealth of the Democratic Republic of Congo (DRC) has found among other things, that multinational companies trading or investing in the DRC have either directly or indirectly contributed to the war in the DRC by supplying ammunitions to warring factions [rebel groups or government] in exchange for mining concessions or more favorable contracts [than they might have received in countries where there was peace and stability] in areas held or under the control of such warring groups.

Apart from MNCs, international financial institutions have likewise contributed maintaining bad leadership in Africa. For instance, in Zaire (present day DRC), despite it being aware that funds were being channeled into Mobutu's private accounts, the IMF not only continued to lend more money and to reschedule Zaire's debts, it also urged donor governments to invest in the country noting that the country had "one of the most liberal foreign investment climate in Africa" (Huband 2001:19, Ndikumana and Boyce 1998:210). It is difficult to say precisely why in the face of glaring economic mismanagement, the IMF actively promoted investments to Zaire. It may have been that the Fund had hoped that with external assistance and investment the country would be able to pursue the reforms necessary for attaining sustainable development. Whatever the reasons, by promoting investments into Zaire and continually extending financial support to the Mobutu's regime the IMF either knowingly or inadvertently contributed to promoting and maintaining bad leadership in Africa.

With respect to Mozambique, Hanlon (2004:752) argues that despite high levels of corruption Mozambique continues to receive more donor funding, much of which goes into private bank accounts of political elites, the President's family and their close associates. Hanlon (2004:760) maintains that despite this fact being known to all the major donors, the World Bank and the donor community at large, have glossed over the problem [of worsening poverty in rural areas brought about by high levels of official corruption or state capture by the elites] because of their need to point to a successful case in the implementation of their reforms policies. Accordingly Hanlon (2004:760) asserts that, "a symbiotic relationship has grown between the Mozambican predatory elite and the donors to maintain a myth of the Mozambican success story…to point to growing rural poverty is to say the emperor has no clothes. The donors cannot afford to listen to this message, because too much depends on the success myth. Instead donors choose to 'work with' the Mozambican predatory elite, who are allowed to rob and kill because they satisfy donor's genuine priorities".

The importance of good leadership in Promoting Foreign Investment

The acts of a leader often provide a yardstick in terms of which a country is evaluated by donors or investors. Consequently, leadership, whether bad or good will reflect either negatively or positively on a state's political and investment environment. A reputation of efficiency and clean leadership enhance rather than diminishes prospects for increased foreign investments, whilst a reputation for corruption and bad leadership, more often than not ensures the opposite, as it creates an economic climate of uncertainty and risk that scares away investors or directs them towards short-term speculation. Leadership therefore acts as a signal to investors about the investment environment of a country and indicates in some measure the extent to which the government can be trusted to act judiciously.

Certainty in the conduct and exercise of government power boosts investor confidence and trust in government. Whiting (1998:169) indeed argues that trust in government is an important factor in the decisions of private investors to undertake the risk of investing particularly in relatively immobile assets. According to Val Braithwaite (1998:52), the performance by another that entails consistency, competence and reliability is likely to enhance the likelihood of the development of a relationship of trust, and as Thomas (1998:169) states, trust involves expectations or beliefs that others will behave in a predictable manner, not entirely devoted to self-interest.

Consequently, the misuse of power by a public official for personal, professional or organizational ends, erodes the trust on which the legitimacy of government depends. According to Kass (1990) cited by Thomas (1998:186), "consistent violations by individual public agents, even if done in the name of the republic's welfare, ultimately raise the average individual's sense of vulnerability to the great power he or she has placed in this entity and adversely affects the legitimacy of both the agents involved and the republication association".

The history of political leadership as highlighted in the earlier sections does little in terms of promoting investor confidence or trust in many of the African governments. As it has been shown, poor leadership has been instrumental in strangulating and driving away investors from the continent. As Whiting (1998:168) contends "if a private investor is not confident that he can reap the gains of his investment at some future point, then that assessment reduces the projected value of the investment and undermines the incentive to invest".
Weingast (1993) quoted in Whiting (1998: 168) states the position as follows: "for economic actors to undertake costly actions necessary for economic development, they must expect to garner the returns of their efforts. The potential redistribution of these returns-whether through a substantial tax increase, a wholesale reversal of the reform process, or outright confiscation-reduces the expected private return to these actions".

In light of the foregoing, it is submitted that moral leadership can greatly enhance and promote, investor confidence and trust in government. Nelson Mandela, who became the first democratically elected leader of the post-apartheid South Africa, typifies an example of moral leadership. Until the early 1990s, FDI flows to South Africa had declined as a result of international campaigns against apartheid. However, the unbanning of political parties and the holding of democratic elections in 1994 saw an increase in the level of foreign investment. Whilst inflows averaged US$46 million per annum before 1994, these inflows rose rapidly after the transition in 1994, averaging US$1.861 billion per annum in 2002 (Gelb and Black 2003: 180).

Granted that the 1994 South African elections were about securing the representation of previously excluded political and social groups (Wantchekon 2004:18) and granted that there is an inherent difficulty in gauging or measuring precisely how the Mandela effect has contributed to the FDI inflows into South Africa, it is, without discounting other factors, not far fetched to state that it was his release from prison and subsequent assumption of the presidency that led to the removal of the many politically motivated constraints (economic and financial sanctions) on South Africa's full participation in the world economy and renewed investor confidence in South Africa.

Likewise, Sir Seretse Khama and his successor Sir Ketumile Masire can be credited with Botswana's current economic success. In fact Henderson (1990:27) asserts that the "history of modern Botswana is very much the history of Seretse Khama. Without the caution, guidance and political acumen of Seretese, it is highly unlikely that Botswana would have escaped either the slur of Bantustan status or the long-standing desire of the South African authorities for detailed control of the political future of [the] country".

At the time Sir Seretse Khama assumed the presidency in 1966, Botswana was one of the poorest countries in the world with virtually no economic, social and even institutional infrastructure (Harvey and Lewis 1990:15). Henderson (1990:43) describes the country then as "a ramshackle collection of different districts loosely held together by an under-financed administration and united economically by little more than poverty and drought." Its per capita income at independence was about BWP60, which would be the equivalent of roughly US$80 today (Republic of Botswana, 2004), there was no private sector to drive the economy and the burden of stimulating the economy was entirely shouldered by the government.

To address its developmental challenges and the lack of investors, the "Botswana government with the help of Masire [the then vice president] was turned into an efficient aid gathering machine with both Masire and Seretse undertaking grueling international schedules in support of bids for foreign aid and foreign investment needed to ensure that mining developments, crucial to the establishment of a domestic revenue source, were realized" (Henderson 1990:44). From nothing at independence, the country is now considered the richest non-oil producing country in Africa (Republic of Botswana 2004) and has been classified by the World Bank as an Upper Middle Income country with a per capita GDP of more than US$ 6000 (Taylor 2002) and foreign reserves of BWP 29.9 billion (Botswana Budget Speech 2003).

Although the discovery of diamonds may have been instrumental in the country's economic success, much of the success can be attributed to good leadership. According to Taylor (2002), it was Khama's legitimacy (drawn from his position as former chief of the dominant Tswana tribe), charismatic leadership, and his integrity that helped shape the system of governance established post 1966. What has set Botswana apart from other African countries has been the fact that the political leadership and emergent national elites at and post independence avoided pursuing private or self-interest at the expense of the public good. Tsie (1998:13) as quoted in Taylor (2002), states that the emergent national elite "became conscious of the fact that its interests would be better served by private capitalist accumulation rather than state capitalism because…the state itself was in dire financial problems at independence and could not therefore be the sole means of accumulation.

Consequently, this class did not necessarily see the state as a source of self-enrichment".

The post-independent leadership was able to guard against state capture by interest groups with its commitment of developing the country going 'beyond the interests of a particular fraction of the ruling petty bourgeoisie to embrace broad capitalist interest' (Tsie 1995:66 quoted in Taylor 2002). When Botswana Democratic Party (BDP) came into power in 1965, it did so as a party of large cattle owners [both Seretse and Masire were known cattle barons] (Holm and Molutsi 1992:90). Rather than being captured by the special interest of large cattle owners, the bureaucracy was allowed to determine, expand and mould state policies and to operate sufficiently independent of political interference or special interest (Holm and Molutsi 1992:90).

In short, the leadership that came into power in 1965 was more concerned with developing the impoverished country than advancing and securing personal interests or benefits. At the core of government was a small cadre of developmentally determined senior politicians and bureaucrats who enjoyed the support of the President and Vice President (Leftwich 1995). In this respect, by adopting a developmental approach rather than be overcome by special interest, Botswana was able to avoid the shackles of patrimonial rule so common in many African countries.

According to Leftwich (1995) and Taylor (2002), Botswana can indeed be regarded as a "developmental" rather than a patrimonial state. Leftwich (1995) defines a "developmental" state as a "state whose politics have concentrated sufficient power, autonomy and capacity at the centre [bureaucratic leadership] to shape, pursue and encourage the achievement of explicit developmental objectives, whether by establishing and promoting the conditions and direction of economic growth or by organizing it directly or a varying combination of both". Although good economic performance or growth often defines whether a state is developmental or not, Taylor (2002) warns that not all countries with good economic growth rates are developmental states. Rather a "developmental state" must according to Taylor (2002) quoting Mkandawire (1998:2) be defined as a state " whose ideological underpinnings are developmental and one that seriously attempts to deploy its administrative and political resources to the task of economic development". According to Taylor (2002) these ideological underpinnings are required in order to give the developmental project a "hegemonic" aspect to it, in the sense that the project gains consensus and attracts broad sections of the populace.

Although the interest of the dominant class or the accruing of benefits to them cannot be entirely discounted in the exercise of state power, both Leftwich (1995) and Taylor (2002) argue that such benefits [as for instance in the case of the large cattle-owners in Botswana] in a developmental state accrue not as matter of the policy objective but rather as a result of its associated outcome.

From the dawn of independence, FDI has been encouraged, the government being guided in its developmental strategy by the philosophy of free enterprise and market economy (Siphambe 2003). Government officials including those in the upper ranks of the bureaucracy, cabinet ministers, close associates and relatives of the President implicated in corruption or abuse of power have either been prosecuted or forced to resign from office (Durham 1999:201; Parsons, Henderson and Tlou 1995:380). One can argue that good leadership has been one of the key factors that has promoted foreign investment into Botswana.

Good Political Leadership as a Model of General Leadership

Although this chapter has focused entirely on political leadership, it is argued that without a complimentary bureaucracy, good or moral political leadership on its own may not be a sufficient signal to investors. If the bureaucracy is captured by personal interest then little can be achieved even with a well intending leader at the helm of government. This is because the responsibility for implementing government policy falls on the shoulders of the public or civil service or as Braithwaite (2004:139) points out, "the bureaucracy [is] the pathway for the implementation of goals set down by government". Equally, bad political leadership may demoralize a relatively clean and efficient civil service whilst on the other hand, a relatively clean and moral political leadership can be a beckon of hope and may have a trickling down effect on the entire bureaucracy, promoting good leadership not only at the top but also at the bottom echelons of government and society. To promote investor confidence or trust, it is vital that both the political leadership and bureaucracy must be able to use their positions of public trust responsibly.

Conclusion

Whilst self-interest cannot entirely be discounted in the exercise of power, it would appear that in many Africa cases, with notably few exceptions, self-interest has become an overriding consideration in the exercise of power than public welfare. As Bratton and Van De Walle (1997:62) indicate, neo-patrimonial practices have become a defining feature of political authority in Africa operating in over 40 countries and the quotes by Boas (2001) and Ayittey (1992) at the beginning of this chapter perhaps aptly summarizes the nature of politics in Africa. Nonetheless, as the case of Mandela and Khama show, leadership can be a key element in the socio-political and economic transformation of a state when political power is harnessed positively for the good of the public. As this paper has sought to demonstrate, neo-patrimonialism in whatever way one looks at it, creates uncertainty and risk in the economic climate, pushing out rather than pulling in investors, thereby condemning countries to slow economic growth. In sum, it is submitted that in its quest for creating an enabling environment for foreign investors NEPAD must equally focus on promoting moral political leadership in Africa. The international community has a responsibility too, to ensure that it does not either by omission or commission sustain poor leadership. One of the ways in which moral leadership can be promoted by NEPAD is through its peer review mechanism.

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